

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Alvando Dean Sr.	}	
	}	
vs.	}	04-0335
	}	
Southwestern Bell Communications Services, Inc.	}	
d/b/a SBC Long Distance	}	
	}	
Complaint as to billing/charges in Markham, Illinois	}	

MOTION TO DISMISS

The Respondent Southwestern Bell Communications Services, Inc., d/b/a SBC Long Distance ("SBC LD") pursuant to Section 200.190 of the Commission's Rules of Practice, 83 Ill. Admin. Code §200.190, respectfully moves this Honorable Commission to dismiss the Complaint against SBC LD on three grounds:

A. Mr. Dean's complaint relates predominantly to charges for local telecommunications services that were not provided by SBC LD and associated taxes and surcharges that were not imposed by SBC LD.

B. To the extent that Mr. Dean's complaint relates to taxes, fees and surcharges imposed on the interstate long distance services provided by SBC LD, the Federal Communications Commission has exclusive jurisdiction over those charges; they are not within the jurisdiction of the Illinois Commerce Commission.

C. The complaint on its face fails to state a cause of action upon which relief may be granted.

In support of this Motion, SBC LD states the following:

Mr. Dean complained against the wrong company.

1. The essence of Mr. Dean's complaint appears to be that when he switched to SBC's *All Distance*[®] service in December 2003, he understood that he would continue to receive all of the same local services he was already purchasing from SBC, plus he would receive unlimited, nationwide long distance service, all for just \$43.95 a month for the first year and \$48.95 a month thereafter. His understanding was based upon written materials, which are attached to the complaint, and alleged oral statements by unidentified SBC representatives. When he was billed for *All Distance*[®] service, Mr. Dean was billed for taxes, fees and universal service charges in addition to the \$43.95 per month. He also was separately billed for Three Way Calling and Call Forwarding, which were among the local services he was purchasing at the time he switched to *All Distance*[®] service. Mr. Dean objects to making any payment in excess of \$43.95 per month.

2. SBC *All Distance*[®] service includes local service provided by SBC Illinois for \$28.95 per month and interstate and intrastate (local toll) long distance service provided by SBC LD for \$20 per month, less a \$5 per month credit against all charges for the first year. The total after the credit is \$43.95. Three Way Calling and Call Forwarding are local services not included in *All Distance*[®] service and are provided by SBC Illinois. To the extent Mr. Dean complains

about charges for these services, his complaint lies with SBC Illinois, not SBC LD.

3. Similarly, most of the regulatory fees and universal service charges Mr. Dean complains about were assessed on the local service portion of his bill. Mr. Dean's complaint, if any, lies with SBC Illinois, not SBC LD.

Mr. Dean complained before the wrong agency.

4. Although taxes were assessed on both local services provided by SBC Illinois and long distance service provided by SBC LD, to the extent the taxes on long distance service were imposed on interstate services, they are beyond the regulatory oversight of this Commission, which regulates only intrastate services. Mr. Dean's complaint about such charges should be asserted, if at all, before the FCC.

Mr. Dean's complaint fails to state a cause of action upon which relief may be granted.

5. Although Mr. Dean alleges that SBC misrepresented the charges he would pay for *All Distance*[®] service, he has attached to his complaint written documents he received at the time he ordered the service that conclusively refute his claim. Since they are part of his complaint, Mr. Dean is legally bound by those documents. Thus, regardless of which SBC entity Mr. Dean were to complain against, his complaint would fail to state a cause of action upon which the Commission could or should grant relief. The Commission is not required to hold an evidentiary hearing where, on the face of the complaint, no relief could be granted. See, e.g., *Chesterfield-Medora Telephone Co. v. Illinois Commerce*

Commission, 37 Ill. 2d 324, 226 N.E. 2d 855 (1967). Mr. Dean's complaint should be dismissed.

6. Mr. Dean principally relies upon an SBC sales solicitation he received by mail. This advertisement is addressed to Mr. Dean and signed by Jeff Urbanek, Executive Director, Consumer Marketing. A copy from the complaint is attached and incorporated into this Motion as Exhibit A. This advertisement lists the services that are included in *All Distance*® service for \$43.95 per month. Three Way Calling, Call Forwarding and taxes, fees and universal service charges are not listed, and, therefore, are not included. Furthermore, this advertisement did not say that Mr. Dean would receive all of the same services he already received for \$43.95 per month. To the contrary, it stated in the opening paragraph, "Continue to receive many of the same local calling features you currently have, plus save every month on your long distance calls" (emphasis added). Finally, the advertisement stated in the disclaimer at the bottom of the page, "Taxes, fees, universal service, Local Calling Plus calls, and installation extra."

7. Mr. Dean also attached to his complaint a copy of the local service confirmation letter dated December 5, 2003, that he received when he switched to *All Distance*® service. This letter is attached and incorporated as Exhibit B. The letter thanks Mr. Dean for his order and states, "On the back of this letter we've listed your order and the normal monthly cost (excluding taxes, installation and usage). Please take a moment to confirm this information" (emphasis added). On the back, the letter lists the local services Mr. Dean would receive

under his order. It separately lists Three Way Calling and Call Forwarding, each with a discrete charge of \$2.50 that is in addition to the \$28.95 Mr. Dean would pay for the local portion of his *All Distance*® service. The statement at the end of the list of services reads, “Other taxes and surcharges apply.”

8. Mr. Dean also attached to his complaint the first page of the confirmation letter he received for the long distance portion of *All Distance*® service. A copy is attached and incorporated as Exhibit C. This letter explains the long distance services Mr. Dean receives as part of *All Distance*® service and the portion (\$20) of the charge for *All Distance*® Service that applies to long distance. The letter also attaches a copy of the Terms and Conditions of Service applying to long distance.

9. Mr. Dean attaches a copy of the Terms and Conditions to his complaint. A copy of those Terms and Conditions is attached and incorporated herein as Exhibit D. Section 2.21 of the Terms and Conditions provides:

2.21 Taxes and Surcharges

Customer will be responsible for the payment for all Services provided by SBC LD and for the payment of all excise, sales, use, gross receipts, or other taxes and surcharges. Federal excise tax, and state and local sales, use, and similar taxes and surcharges shall be billed separately from charges for Services. SBC LD may also impose surcharges on Customer to recover amounts it is required by governmental or quasi-governmental authorities to collect from, or to pay to, others in support of statutory or regulatory programs, (e.g., universal service funds). SBC LD will not provide advance notice of changes to taxes and surcharges except as required by law.

10. The Terms and Conditions provided to Mr. Dean are identical to SBC LD’s tariffs on file with the Illinois Commerce

Commission. Ill. C. C. Tariff No. 1, Original Page 136, effective October 24, 2003, states:

2.17 Taxes, Surcharges, and Fees

2.17.1 General

Customer will be responsible for the payment for all Services provided by the Company and for the payment of all excise, sales, use, gross receipts, or other taxes and surcharges. Federal excise tax, and state and local sales, use, and similar taxes and surcharges shall be billed separately from charges for Services. The Company may also impose surcharges on Customer to recover amounts it is required by governmental or quasi-governmental authorities to collect from, or to pay to, others in support of statutory or regulatory programs (e.g. universal service funds). The Company will not provide advance notice of changes to taxes and surcharges, except as required by law.

A copy of this tariff page is attached and incorporated herein as Exhibit E.

Mr. Dean is bound by the tariff terms, whether he has read them or not, and neither he nor SBC LD legally may deviate from the tariff.

11. Taxes, fees and surcharges are generally required by law to be separately stated on the customer's bill. See, *e.g.*, 220 ILCS 5/9-221 (municipal gross receipts tax); 35 ILCS 630/5 (telecommunications excise tax); 220 ILCS 5/13-704 (infrastructure maintenance fee); 50 ILCS 750/15.3 (911 surcharge). These requirements have been incorporated into the Commission's Rules. See 83 Ill. Admin Code, §735.70.

12. The Commission may take administrative notice that the telecommunications service prices filed in tariffs are exclusive of taxes, fees and surcharges, and are advertised in the same fashion. In fact, the service price must be stated exclusive of taxes, fees and surcharges in order to accurately inform the customer of the price for the service and to

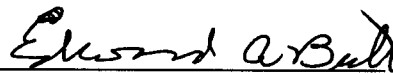
identify the base amount to which the taxes, fees and surcharges apply.

The sales solicitation Mr. Dean received and relied upon listed the services included in the \$43.95 monthly charge and stated on its face that taxes, fees and universal service charges were extra. The separate confirmation letters Mr. Dean received from SBC Illinois and SBC LD both made clear that taxes, fees and surcharges would be billed in addition to the monthly charge for *All Distance*® service. The Company's tariff, the Commission's Rules and the statutes require that taxes, fees and surcharges be billed separately from the charges for telecommunications services. As a matter of law and fact, Mr. Dean cannot reasonably claim that he believed the price quoted for *All Distance*® service included taxes, fees and surcharges or that he was misled by SBC.

WHEREFORE for all the reasons stated, Mr. Dean's complaint should be dismissed.

Respectfully submitted,

Southwestern Bell
Communications Services, Inc.
d/b/a SBC Long Distance

By: 
Attorney

State of California }
 }
County of Alameda } SS
 }

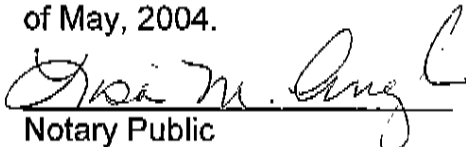
Affidavit/Verification

I, Joe Carrisalez, being first duly sworn on oath depose and state:

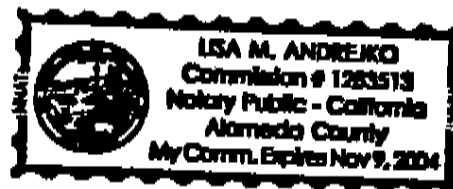
1. I am employed by Southwestern Bell Communications, Inc. d/b/a SBC Long Distance ("SBC LD") as the Executive Director of Regulatory.
2. I have read the Complaint filed by Alvando Dean Sr. and am familiar with the matters set forth therein.
3. I have read the foregoing Motion to Dismiss on behalf of SBC LD and the statements of fact set forth therein are true and correct to the best of my knowledge, information and belief.


Joe Carrisalez

Subscribed and sworn to
before me, this 18th day
of May, 2004.


Notary Public

My Commission expires: November 9, 2004.



Call from home all you want.

Introducing SBC phone service at its most affordable!

Alvando Dean
3663 W. 166th St.
Harvey, IL 60426-5325



GOING BEYOND THE CALL.®

Dear Alvando Dean,

Great news! With new *All Distance*® service, you can make all the direct-dialed long distance calls from home you want, to anywhere nationwide. Continue to enjoy many of the same local calling features you currently have, plus save every month on your long distance calls. It's all just \$43.95* a month for the first year and only \$48.95 after that.

New *All Distance*® service — a new way to look at your phone service

For just \$43.95 a month for the first year, you get:

- Unlimited nationwide direct-dialed SBC long distance calling from your home to anyone, anytime, anywhere in the U.S.
- Your phone line with unlimited local calls
- Voice Mail Plus
- Caller ID
- Call Waiting
- Wire maintenance plan
- SBC local and SBC Long Distance services on the same bill

Because we know everyone has different calling needs, we can provide a variety of services for exactly the way you call. For example, you can add *International SaverPlus*™ II for just \$2.95 a month and get our lowest per-minute rate to over 200 countries. Also, *Canada Plus* is only \$4.95 a month, and you get unlimited calling to Canada and our lowest per-minute international rates. Call now and let us help find the right combination of money-saving services for you. **One more way we bring it all home.**

To take advantage of unlimited SBC Long Distance now, call **1.800.533.6293** or visit sbc.com/alldistance10.

Sincerely,

Jeff Urbanek
Executive Director — Consumer Marketing

**Unlimited long distance. Call anyone,
anywhere nationwide, anytime 24/7.**

For SBC residential, local-service customers only. *\$43.95 offer expires 1/31/04. Long distance service offered and priced by SBC Long Distance where FCC approval has been given. *All Distance*® service price includes \$20 unlimited direct-dialed long distance service. Includes SBC local telephone company service and Economy Solution Plus. Equipment required for Caller ID. (Some information is blocked or unavailable.) Excludes calling card calls and long distance for business or Internet. Available in voice mail-capable areas only. Additional availability and credit restrictions apply. *Canada Plus*: Customer must also subscribe to the National Connections™ or National Connections™ Plus domestic unlimited calling plan from SBC Long Distance to qualify. This offer is not valid with any other SBC Long Distance domestic price plans. If you change domestic plans or disconnect any of the required components of your National Connections or National Connections Plus plan, then you will no longer be eligible for this special international plan rate. If this occurs, we will remove *Canada Plus* from your account, and your international calls will be rated at Basic Peak and Off-Peak rates. Mobile termination charges may apply. *International SaverPlus*™ II: Must subscribe to an SBC Long Distance domestic, outbound, interstate, Unlimited or Block of Time usage-optional calling plan. If you change domestic plans or disconnect any of the required components of your domestic plan, then you will no longer be eligible for this special international plan rate. If this occurs, we will remove *International SaverPlus* II from your account, and your international calls will be rated at Basic Peak and Off-Peak rates. Duration of each call is recorded in whole minutes with partial minutes rounded to the next whole minute. Mobile termination charges may apply. Taxes, fees, universal service, Local Calling Plus calls and installation extra. All SBC trademarks belong to SBC Knowledge Ventures, L.P. © 2003 SBC Knowledge Ventures, L.P. All rights reserved.

0007337 263 4 5



SBC
PO Box 7215
Indianapolis, IN 46207



300107 144173 0000199 339 0
Alvando Dean
3663 W 166th
Harvey, IL 60426

December 5, 2003
708 596-5143 041



Dear Alvando Dean:

Thank you for choosing phone service from SBC! We hope your new service will make communication easier for you.

On the back of this letter we've listed your order and the normal monthly cost (excluding taxes, installation and usage). Please take a moment to confirm this information.

If you have questions, or if your service is not working properly, don't hesitate to call us at the numbers below. If you are calling about existing service, a service representative will ask for your account number. Your account number is the 14-digit number that can be found on the upper right corner of the first page of your bill.

For Questions.....1-800-244-4444

For Repair.....1-888-611-4466

Thanks again for choosing SBC. We appreciate your business and look forward to serving you in the future.

Sincerely,

SBC Consumer Services

P.S. If you ordered Voice Mail, your information will arrive separately.

Non payment or partial payment of your bill may result in the removal of the unregulated services that are included in a package. If your payment is sufficient to cover them, the regulated local services of the package will remain on the account and be billed at their tariffed rates.

***SBC local service provided by SBC Illinois.

OVER
Monthly Rate

$$\begin{array}{r} \$28.95 \\ -5.00 \\ \hline \$23.95 \\ +20.00 \\ \hline \$43.95 \end{array}$$

404AMERROLLR1

*** INFORMATION ONLY ***

This is not a bill.

Here is an itemized list of the SBC services you ordered. Please confirm that this list is accurate, and call us immediately if there are any discrepancies.

Please note that your actual monthly service charges may vary from the prices listed here if waivers or discounts are in effect. Check your next billing statement for verification.

Service	Monthly Rate
Three Way Calling	\$2.25
Call Forwarding	\$2.25
Busy Line Transfer	\$0.00
Alternate Answering	\$0.00
Message Waiting Notifier	\$0.00
Economy Solution Plus	\$28.95
Voice Mail Plus	\$0.00

Other taxes and surcharges apply.

\$28.95 I sign up for this with SBC November 2003
-5.00
23.95
+20.00
43.95 ALL charges include for the first year and only \$48.95



Welcome to SBC Long Distance

ALVANDO DEAN
3663 W 166TH ST
HARVEY, IL 60426-5325

Service summary:

708-596-5143

Dear ALVANDO DEAN,

12/07/03

Welcome to SBC Long Distance. We know you have a choice and we appreciate you selecting SBC Long Distance. We offer the simplest, hassle free and economical long distance calling plans to meet all your calling needs. If you receive a call from your previous long distance carrier, please compare their offer to our benefits.

SBC Long Distance offers you these benefits:

- ONE bill for all your SBC local, long distance and international calls and we don't charge for this convenience. ONE number to call for questions; ONE check to write.
- Competitive calling plan rates. You are informed up front of BOTH our in-state and state-to-state calling rates.

This confirms your order for the following service plan(s):

With the National ConnectionsSM plan, you have the freedom to call anywhere in the United States (including its possessions and territories) all day, any day, every day for a flat low rate of just \$20.00 per month. That includes all your in-state and state-to-state direct dialed domestic long distance calls. Note: the \$20.00 monthly charge for National ConnectionsSM is included in the cost of the All Distance package price.

This plan is for residential use only, not for business use (including telemarketing or autodialing). This plan cannot be used for long distance access to the Internet. To continue receiving benefits of both unlimited local toll and unlimited long distance calling under this plan, you must be subscribed to SBC Long Distance as your provider for both local toll and long distance services. If you choose another carrier to provide your local toll service, you will not receive unlimited local toll calling from SBC Long Distance. SBC local access line customers who remove a component required for this plan, or misuse this plan, will be moved to the Value Plus Flat Rate price plan of 7 cents per minute for in-state and state to state calling. If you do not retain the SBC access line, then your account will be moved to the Long Distance II rate of 10 cents per minute for state to state and 10 cents per minute for in-state domestic long distance calls.

Enclosed are the Terms and Conditions that apply to the interstate and international services provided by SBC Long Distance and also apply to intrastate services we provide in the states of Indiana, Iowa, Michigan, Montana, Nevada, New Jersey, North Carolina, North Dakota,

SBC LONG DISTANCE VOICE TERMS AND CONDITIONS

AGREEMENT FOR SBC LONG DISTANCE INTEREXCHANGE, INTERSTATE, AND INTERNATIONAL LONG DISTANCE SERVICE INCLUDING CALLING CARD CALLS

THANK YOU FOR USING SBC LONG DISTANCE SERVICES. THE SBC LONG DISTANCE SERVICES PROVIDED HEREUNDER ARE SUBJECT TO THESE TERMS AND CONDITIONS AND ANY WRITTEN AGREEMENT. THESE TERMS AND CONDITIONS ALSO APPLY TO INTRASTATE LONG DISTANCE SERVICES IN THE STATES OF INDIANA, IOWA, MICHIGAN, MONTANA, NEVADA, NEW JERSEY, NORTH CAROLINA, NORTH DAKOTA, OREGON, UTAH, AND VIRGINIA. FOR INTRASTATE TERMS AND CONDITIONS THAT VARY FROM THOSE FOUND IN SECTIONS 2.1 THROUGH 2.33, SEE SECTION 2.34.

IF YOU DO NOT AGREE WITH THESE TERMS AND CONDITIONS, DO NOT USE THE SERVICE AND IMMEDIATELY CONTACT YOUR SBC CUSTOMER CARE CENTER OR SALES REPRESENTATIVE TO CANCEL SERVICE.

2.1 Definitions

Applicant: Any entity or individual who applies for Service under this Guidebook.

Authorized User: A person, firm, corporation, or other entity (including Customer) that (a) is authorized by Customer to be connected to and utilize the Company's Services under these terms and conditions or (b) either is authorized by Customer to act as Customer in matters of ordering, changing, or canceling Service or is placed in a position by Customer, either through acts or omissions, to act as Customer in such matters. Such actions by an Authorized User shall be binding on Customer and shall subject Customer to any associated charges.

Blocking: A temporary condition that may be initiated so that Customer cannot complete a telephone call.

Company: Southwestern Bell Communications Services, Inc. d/b/a SBC Long Distance and Southwestern Bell Long Distance ("SBC LD").

Customer: A person or legal entity which subscribes to the Company's Services and thereby assumes responsibility for the payment of charges and compliance with this Guidebook.

Customer(s) Premises: Location(s) designated by Customer where Service is originated/terminated.

Dedicated Access: Service utilizing a non-switched connection from Customer's Premises to the point of presence ("POP") selected by the Company for origination and/or termination of calls. When the Dedicated Access is used for overlayed Switched Services, the Dedicated Access is referred to as a Dedicated Voice Access line. When Dedicated Access is used to provide Data Services, the Dedicated Access is referred to as the local loop.

End User: The person or legal entity that uses the Service provided by the Company.

FCC: Federal Communications Commission or any successor agency.

Guidebook: The applicable SBC Long Distance Product Reference and Pricing Guidebook, which contains Service descriptions, service level agreements, and current rates and charges posted on the Internet at www.sbc.com/public_affairs.

LEC: Local Exchange Carrier.

Local Access: The Service between Customer's Premises and a Company-designated point of presence ("POP").

Local Access Provider: An entity providing Local Access.

Service(s): Any or all services provided by SBC LD pursuant to this Guidebook.

Third Party Vendor: A company, entity, or individual, other than the Company, designated by the Company that provides the facilities and/or the equipment required to provide Service(s).

2.2 Undertaking of SBC Long Distance

SBC LD provides voice interexchange telecommunications Services, where authorized and where necessary arrangements exist with other providers, for communications originating and terminating in the United States, or between the United States and international points. Service areas are subject to change. SBC LD arranges for installation, operation, and maintenance of the Service in accordance with these terms and conditions.

2.3 Limitations on Service

Service is offered subject to the availability of the necessary systems, facilities, and equipment, and where SBC LD provides Service. SBC LD may refuse to provide Service to or from a location where the necessary systems, facilities, or equipment are not available. As used herein, the terms "availability" and "available" refer to systems, facilities, and equipment owned by SBC LD and SBC LD's current capacity purchased from third party providers. In cases where Service is not currently available, SBC LD shall not be obligated to provide Service by a particular time or in a particular manner. If the parties cannot agree concerning the provision of currently unavailable Service, either party may cancel Customer's order for such Service. Service is subject to the following limitations:

- (a) SBC LD reserves the right to discontinue or limit Service when necessitated by conditions beyond its control or when Service is used in violation of these terms and conditions or the law.
- (b) SBC LD does not undertake to transmit messages, but offers its Service when available, and shall not be liable for errors in transmission or for failure to establish connections.
- (c) SBC LD reserves the right to refuse to process Third Party Vendor calls when standard validation techniques cannot confirm acceptance.
- (d) SBC LD reserves the right to refuse to process travel card or calling card billed calls when authorization cannot be validated.
- (e) SBC LD reserves the right to discontinue or limit Service, or to impose requirements, as required, to meet changing regulatory or statutory rules and standards.
- (f) Service offered by SBC LD is available only in states where SBC LD has obtained authority to provide Services.
- (g) SBC LD may rely on third parties to provide a portion of the Service. Selection of Third Party Vendors is made by SBC LD, which reserves the right to change Third Party Vendors at any time.
- (h) SBC LD reserves the right to add, change, or delete Services at any time.
- (i) SBC LD does not offer 101XXXX dialing. Except for Operator Toll Assistance Service and Directory Assistance Service, the Applicant or Customer must affirmatively select SBC LD as the long distance service provider to receive Service from SBC LD.
- (j) SBC LD does not generally provide echo suppression. For Services that require Dedicated Access to reach the long distance network, SBC LD will determine, in its sole discretion, when echo suppression will be provided.
- (k) SBC LD's failure to give notice of default or to enforce or insist upon compliance with any of these terms and conditions, or SBC LD's grant of a waiver of any term or condition herein or of an extension of time for performance will not constitute a permanent waiver of any such term or condition.

2.4 Assignment or Transfer

SBC LD controls all Services provided under these terms and conditions and Customer may not transfer or assign the use of Services without the express consent of SBC LD. SBC LD's consent shall be in its sole discretion.

2.5 Customer Access

Except as stated otherwise in these terms and conditions, Customer may access SBC LD's network as follows: If Customer's access line is pre-subscribed to SBC LD, Customer dials 1, plus the area code, plus the seven-digit number.

2.6 Use of Service

Customer may use Service for any lawful purpose. Customer obtains no property right or interest in the use of any specific type of facility, Service, equipment, number, process, or code. All right, title, and interest to such items remain, at all times, solely with SBC LD. Recording of telephone conversations on the Service provided by SBC LD under these terms and conditions is prohibited, except as authorized by applicable federal, state, and local laws.

Service may be cancelled as follows:

- (a) Cancellation by Customer. Customer will be responsible for payment of all charges for Service until a PIC change occurs, until a date specified by Customer through proper notice, or until an agreed-upon cancellation date, if applicable. If Customer obtains Service under a term plan agreement, early termination charges may also apply.
- (b) Cancellation by SBC LD. SBC LD, upon 5 days' notice to Customer and in accordance with applicable law, may discontinue Service without incurring liability:
 - (I) When any sum owed SBC LD is not paid within 30 days after the due date printed on the bill.
 - (II) If there is a reasonable risk that criminal, civil, or administrative proceedings or investigations may be instituted against SBC LD based on the contents of transmissions.
 - (III) If after three full billing cycles the Service has not been used.
 - (IV) When Customer fails to provide assurances of or security for the payment of SBC LD's charges.
- (c) Discontinuance of Service. Customer shall be subject to discontinuance of Service without notice:
 - (I) For violations of law.
 - (II) For SBC LD to comply with any order or request of any governmental authority having jurisdiction over the Service.
 - (III) For unauthorized or unlawful use of calling card numbers and authorization codes. These numbers and codes are issued by SBC LD to Customer and may not be sold or otherwise distributed without written consent of SBC LD.
 - (IV) If Customer's check or draft is returned unpaid for any reason after one collection attempt.
 - (V) For Customer's or End User's misuse or fraudulent or unlawful use of the long distance network. As used herein, the term "misuse" means, with respect to consumer or residential Service, use of the Service for non-standard residential or non-residential purposes, including but not limited to commercial or broadcast facsimile, resale, telemarketing, permanent or semi-permanent Internet connections, and autodialing.
 - (VI) For emergencies.
 - (VII) For providing insufficient or fraudulent billing information.
 - (VIII) If the Service is used by Customer or its End Users in a manner that harasses others or interferes with the use of SBC LD's Services by other customers.

When Customer has authorized SBC LD as its agent for ordering Dedicated/Local Access, SBC LD will also request the disconnection of Dedicated/Local Access in connection with the discontinuance of SBC LD's Service.

2.8 Cancellation of Application for Service

When Customer or Applicant cancels an order prior to the start of installation of Service or the start of special construction, no charge applies. Where installation has been started prior to cancellation, a cancellation charge equal to the costs incurred by SBC LD, but not greater than the charge for the minimum period of Service shall apply. Customer or Applicant is also responsible for all costs incurred expressly on its behalf by SBC LD, including those costs SBC LD incurred as an agent of Customer or Applicant. If special construction has either begun or has been completed, but Service has not been provided at the time that Customer or Applicant cancels the order, Customer or Applicant is responsible for all construction costs incurred by SBC LD on its behalf.

2.9 Initial Contract Period

Unless otherwise agreed to, the initial contract period for Service is one month. Thereafter, contract periods shall be for successive one-month periods.

2.10 Obtaining Services

Acceptance or use of Service offered by SBC LD shall be deemed an application for such Service and an agreement by Customer to subscribe to, to use, and to pay for such Service. Customer must provide SBC LD with whatever authorization(s), proof of identification, and/or other information SBC LD deems appropriate. These terms

and a calling card issued by a LEC. Service descriptions, service level agreements, and current rates and charges are available at www.sbc.com/public_affairs.

2.11 Establishment of Credit and Deposits; Toll Restriction; Credit Limits

(a) SBC LD reserves the right to require all Customers and/or Applicants to establish, re-establish, and/or maintain creditworthiness at any time and to the satisfaction of SBC LD. SBC LD reserves the right to examine the credit record and check the references of Customer or Applicant at any time. If Customer's or Applicant's financial condition is unknown or unacceptable, SBC LD reserves the right to require a security deposit, which SBC LD may apply to overdue charges. SBC LD shall determine the amount of any deposit, in its sole discretion, up to three months' estimated usage. SBC LD shall pay interest on deposits as required under state law. SBC LD may review Customer's account to determine whether all amounts due have been paid within these terms and conditions. If Customer's payment history is satisfactory, SBC LD shall refund the deposit in full within the time prescribed under state law.

(b) SBC LD reserves the right to refuse Service to any Applicant who is indebted to SBC LD for Service(s) previously furnished (whether or not at the same location) until satisfactory payment arrangements have been made for all such indebtedness. SBC LD further reserves the right to refuse Service to any Applicant who is currently indebted to SBC LD for Service(s) on another SBC LD account, until satisfactory payment arrangements have been made for all such indebtedness. SBC LD may also refuse Service to any Applicant attempting to establish Service for a former Customer who is indebted for previous Service(s), regardless of whether or not the previous Customer was furnished Service at the same location, until satisfactory payment arrangements have been made for the payment of all such prior indebtedness. If Service is established and it is subsequently determined that any of the foregoing conditions exist, SBC LD may suspend or terminate such Service until satisfactory arrangements have been made for the payment of the prior and/or concurrent indebtedness. SBC LD reserves the right to discontinue granting any further credit to Customer in the event of Customer's repeated delinquency in payment for Service, fraudulent use of Service, suspension or disconnection of Service, initiation of a proceeding by or against Customer under the U. S. Bankruptcy Code, or any material breach, where not prohibited by federal law, rule or regulation.

(c) SBC LD may regularly review Customer's toll usage in order to protect itself from fraudulent or excessive usage by high-risk Customers or Customers who are delinquent in their payments. When SBC LD determines that the usage volume increases the likelihood that Customer will not pay or will be unable to pay for usage, SBC LD may implement its toll blocking process. Pursuant to that process, SBC LD may place a restriction on or discontinue Customer's use of domestic and/or international long distance Services, including Calling Card use, 1+, 0+, and/or all 900/976/700/500 calls until Customer makes payment arrangements satisfactory to SBC LD. Access to local calling, operator-assisted calls, emergency services (9-1-1), 800 and 888 calls will not be affected. In the event that toll access is restricted or blocked pursuant to the foregoing, Customers attempting to access restricted Services will be automatically routed to either a recorded announcement or a service representative for information regarding restoration of Service. This process allows SBC LD to reasonably limit the amount of toll usage Customer may accumulate.

(d) SBC LD may establish credit limits for new and existing Customers. Where a credit limit is established for Customer, Customer will be notified of his/her initial credit limit amount and any subsequent credit limit changes, only if lower than SBC LD's standard credit limit. SBC LD reserves the right to refuse to furnish a calling card to any Customer or Applicant SBC LD deems high-risk. Where Customer becomes delinquent in payments, a new credit limit may be established that is lower than Customer's initial credit limit. In the event Customer's established credit limit is exceeded, or in the event Customer becomes delinquent in his/her payments, SBC LD may implement its toll blocking process, as described above. SBC LD shall provide notice of adverse action regarding credit limits in accordance with federal and/or state laws and/or regulations.

"Credit Hold" status in the event Customer fails to establish, re-establish, and/or maintain creditworthiness at any time to the satisfaction of SBC LD. While Customer is on "Credit Hold" status, SBC LD may suspend or cancel the provisioning of any new Service ordered by Customer and refuse to accept any new orders for Service from Customer.

(f) Credit decisions are based, in whole or in part, on information obtained in a credit report. Customer has the right under the Equal Credit Opportunity Act to receive a statement of reasons for adverse action taken within 60 days of notification. A statement of reasons can be obtained by contacting:

Experian Business Information Services

Attn.: Commercial Relations

600 City Parkway

Orange, CA 92868

888-211-0728

or

Dun and Bradstreet

Customer Resource Center

899 Eaton Avenue

Bethlehem, PA 18025

800-234-3867

The Federal Credit Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the credit applicant has the capacity to enter into a binding contract); because all or part of the credit applicant's income derives from any public assistance program; or because the credit applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

2.12 Advance Payments; Credit Card Authorizations

SBC LD reserves the right to require advance payments from Customer and/or Applicant when, in SBC LD's sole judgment, Customer and/or Applicant presents an undue risk of nonpayment. Such advance payments may be required instead of, or in addition to, a security deposit, in an amount up to the estimated installation charges plus three months' estimated billings. SBC LD shall be authorized to apply such advance payments against Service charges incurred by Customer and/or Applicant. SBC LD shall not pay interest on advance payments, unless specifically required under state law. SBC LD may alternatively require Customer and/or Applicant to authorize Credit Card billings for advance payments as described below.

2.13 Payment and Billing

(a) Customer is responsible for payment of all charges for Service furnished to Customer, its agents, or End Users. Monthly recurring charges for Service components are billed in advance of Service and reflect the rates in effect as of the date of the invoice. Monthly recurring charges continue to accrue during any suspension of computing partial-month charges; a month is considered to consist of 30 days. SBC LD will bill calls in whole-minute increments, unless otherwise stated in the Service description of Customer's calling plan. Partial minutes are rounded up to the next whole minute. If the charge for a call includes a fraction of a cent of \$.005 or more, the fraction of such charge is rounded up to the next higher whole cent. Otherwise, the charge is rounded down to the next lower whole cent. Rounding for charges for Service(s) is on a call-by-call basis.

(b) Bills are due and payable upon receipt. Customer is liable for any reasonable fees and expenses including attorneys' fees SBC LD incurs in the collection of charges owed to SBC LD. SBC LD may also charge Customer a late fee on the overdue charges of \$5.00 or 1.5% per month, whichever is higher, but in no event more than the maximum amount allowed under state law. Charges may be

associated for services up to the point of service, where no limitation applies.

(c) SBC LD may assess a charge of \$25.00 whenever a check or draft presented for payment of Service is not accepted by the institution upon which it was written.

(d) Credit Card billing and automatic withdrawal from Customer's checking or savings account may be available. If Customer presents an undue risk of nonpayment at any time, SBC LD may require Customer to pay its bill in cash or the equivalent of cash. With Credit Card billing, charges for Service provided by SBC LD are billed on Customer's designated and approved Credit Card. Should Customer cancel or change a designated Credit Card for billing, Customer shall promptly inform SBC LD and designate new information for billing. Charges for Service are billed monthly in accordance with terms and conditions between Customer and Customer's designated Credit Card provider. Call detail will not be included in the Credit Card bill, but will be provided by SBC LD by separate mailing.

(e) Customers that are direct-billed (as opposed to a shared-bill from a LEC or CLEC) must provide SBC LD updated information within 15 days of a change in billing address and/or contact information. If Customer fails to provide such updated information promptly, SBC LD reserves the right to terminate Service on 5 days' oral or written notice to Customer's last known address or contact number.

2.14 Disputed Bills

Customer may in good faith withhold payment of any disputed charges. A charge is not "disputed" until Customer provides SBC LD a written explanation of the disputed charge. If SBC LD determines that the charges are valid, SBC LD will notify Customer of this resolution of the dispute and Customer must pay all such charges within 10 days.

2.15 Changes to Rates, Charges, Terms, and Conditions

Except as otherwise provided in a written agreement, SBC LD may periodically make changes to its rates, charges, terms, and conditions. SBC LD will provide Customer with at least 10 days' advance written notice for rate and charge increases and changes to terms and conditions that adversely affect Customer. Rate and charge decreases and changes to terms and conditions that do not adversely affect Customer will be made without advance notice. Use of Service after changes take effect constitutes acceptance.

2.16 Tax Exemption Certificate

In order to be granted tax-exempt status, Customer shall provide SBC LD with copies of all tax exemption certificates and other documentation required by SBC LD. Customer will be billed for all applicable taxes and will be responsible for their payment until such time as SBC LD has ceased billing the applicable taxes. SBC LD is not liable for refunding the amount of the taxes paid by Customer. Customer is responsible for seeking refunds for such taxes from the appropriate taxing authority.

2.17 Notices

Any notices provided by SBC LD are deemed given and effective upon the earlier of (a) actual receipt by Customer, (b) three days after mailing if sent by mail, (c) the day after express overnight delivery, or (d) the day the notice is left at Customer's Premises. Notices will be sent to Customer's last billing address provided to SBC LD by Customer.

2.18 Lost or Stolen Calling Card or PIN

Customer shall give notice to SBC LD of unauthorized use of Customer's calling card(s) and/or PIN(s) upon knowledge of facts that would alert a reasonable person to the possibility of unauthorized use of Customer's calling card(s) or PIN(s). Upon receipt of notice, SBC LD may deactivate the PIN(s) associated with the card(s). If requested by Customer, a new calling card and PIN may be issued to Customer. Customer will be excused from liability only with respect to unauthorized calls placed after receipt of such notice by SBC LD.

Customer or others may not rearrange, move, disconnect, remove, or attempt to repair any SBC LD-provided facilities, other than by connection or disconnection to any interface means used, except with the written consent of SBC LD. SBC LD may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the installation, operation, and/or maintenance of Customer's or SBC LD's facilities and/or equipment are in compliance with these terms and conditions. Upon reasonable notice, the facilities and/or equipment provided by SBC LD shall be made available to SBC LD for such tests and/or adjustments as may be necessary for their maintenance in a condition satisfactory to SBC LD. No interruption allowance shall be granted for the time such tests and adjustments are made, unless such interruption exceeds 24 hours and an allowance is requested by Customer.

2.20 Interconnection

(a) Customer shall ensure that the facilities and/or equipment provided by Customer are properly interconnected with the facilities or equipment of SBC LD and comply with applicable regulations of the FCC. If Customer maintains or operates the interconnected facilities or equipment in a manner that results, or may result, in harm to SBC LD's facilities, equipment, personnel, and/or quality of Service, SBC LD may, without any liability, disconnect Service until Customer provides protective equipment at Customer's expense.

(b) Subject to the technical limitations established by SBC LD, the Service may be interconnected with services or facilities of other authorized communications common carriers and with private systems. Any special interface equipment or facilities necessary to achieve compatibility between SBC LD-provided equipment and facilities and those of other carriers shall be provided at Customer's expense.

(c) SBC LD or Third Party Vendors may substitute, change, or rearrange any equipment or facility at any time, but shall endeavor to maintain the technical parameters of the Service provided to Customer. In the event that technical parameters change as a result of SBC LD's actions, SBC LD will provide Customer 25 days' notice prior to such change.

(d) Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for interconnection. Customer will be responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment with the long distance network. Customer must ensure that the signals emitted into the long distance network do not damage SBC LD-provided equipment, injure personnel, or degrade Service to other users of the long distance network. In addition, Customer must comply with applicable LEC signal power limitations. Customer shall indemnify and hold SBC LD harmless against any and all liabilities, costs, damages, and expenses resulting from claims by third parties that Customer's calling card or PIN has been lost, stolen, or fraudulently issued or used. Customer shall pay SBC LD amounts equal to the monthly recurring charges that would have been paid had SBC LD been able to commence or to continue to provide Service, in the event that SBC LD's ability to commence or to continue to provide Service in a timely manner is delayed or interrupted because of non-performance by Customer of any obligation set forth in these terms and conditions.

2.21 Taxes and Surcharges

Customer will be responsible for the payment for all Services provided by SBC LD and for the payment of all excise, sales, use, gross receipts, or other taxes and surcharges. Federal excise tax, and state and local sales, use, and similar taxes and surcharges shall be billed separately from charges for Services. SBC LD may also impose surcharges on Customer to recover amounts it is required by governmental or quasi-governmental authorities to collect from, or to pay to, others in support of statutory or regulatory programs (e.g., universal service funds). SBC LD will not provide advance notice of changes to taxes and surcharges, except as required by law.

In certain instances, Customer may be subject to LEC access charges or message unit charges to access SBC LD's network or to terminate calls. SBC LD shall not be responsible for any such local charges incurred by Customer in gaining access to SBC LD's network; nor shall SBC LD be responsible for a Local Access Provider's performance or failure to perform. SBC LD may order such Local Access and pass through any such charges.

2.23 SBC Long Distance's Limitation of Liability

The provisions of this Section do not apply to errors and omissions caused by SBC LD's willful misconduct, fraudulent conduct, or violations of law:

(a) In the event an error or omission is caused by the gross negligence of SBC LD, the liability of SBC LD shall be limited to and in no event exceed the sum of \$10,000.

(b) Except as provided in Subsection (a) above, SBC LD's liability for damages of any nature arising from errors, omissions, interruptions, or delays of SBC LD, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, changing, moving, or terminating the Service, facilities, or equipment shall not exceed an amount equal to the charges applicable under these terms and conditions (calculated on a proportionate basis where appropriate) to the period such error, omission, interruption, or delay occurs.

(c) SBC LD will not be liable to Customer for damages or statutory penalties or be obligated to make any adjustment, refund, or cancellation of charges, unless Customer has notified SBC LD in writing of facts sufficient to provide SBC LD with the reasonable basis of any dispute or claim for damages, within 60 days after an invoice is rendered by SBC LD giving rise to such dispute or claim.

(d) IN NO EVENT SHALL SBC LD BE LIABLE FOR ANY INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING LOST REVENUE OR PROFITS. SBC LD will not be liable for any act or omission by any other company(ies) furnishing a portion of the Service or associated facilities or equipment. If SBC LD learns of actual or likely unauthorized, fraudulent, or unlawful use of any SBC LD Service, SBC LD may suspend Service without notice or liability. SBC LD will not be liable for any failure of performance due to the use or abuse of Service by Customer including, but is not limited to, any calls placed by means of PBX-reorigination or any other equipment, service, or device.

(e) Compensation for any injury Customer suffers due to the fault of third parties must be sought from such third parties. SBC LD will not be liable for any failure of performance due to any action, such as Blocking or refusal to accept certain calls, that SBC LD deems necessary in order to prevent unauthorized, fraudulent, or unlawful use of its Service.

(f) SBC LD shall not be liable for interruptions, delays, errors, or defects in transmission, or for any injury caused by Customer, its agents, or End Users, or by facilities or equipment provided by Customer or any Third Party Vendor.

(g) SBC LD's liability, if any, with regard to the delayed installation of facilities or commencement of Service shall not exceed \$1,000.

(h) SBC LD shall have no liability to any person or entity other than Customer and only as set forth herein.

2.24 Force Majeure

SBC LD shall not be liable for any failure of performance hereunder, if such failure is due to any cause or causes beyond SBC LD's reasonable control. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, terrorism, cable cut, natural disaster, or other similar occurrence, any law, order, regulation, direction, action, or request by the U. S. or other government, civil, or military authority, national emergencies, insurrections, riots, wars, labor strife, supplier failures, or preemption of existing Service to restore Service in compliance with FCC Rules. To the extent such an event interferes with SBC LD's performance, SBC LD will be excused from performance during the period of such interference, provided that SBC LD uses all reasonable efforts available to it to avoid such event. If a delaying

terminate the affected Service(s). This Section shall not operate to excuse the payment of money.

2.25 Liability of Customer

Customer shall indemnify, defend, and hold harmless SBC LD (including the cost of reasonable attorneys' fees) against:

(a) Claims for libel, slander, infringement of copyright, or unauthorized use of any trademark, trade name, or service mark rising out of the material, data, information, or other content transmitted by Customer, its agents, or End Users over SBC LD's facilities or equipment.

(b) Claims for patent infringement arising from combining or connecting SBC LD's facilities or equipment with facilities, equipment, apparatus, or systems of Customer.

(c) All other claims (including claims for damage to any business or property, or injury to, or death of, any person) arising out of any negligent or wrongful act or omission of Customer, its agents, End Users, or customers in connection with any Service or facilities or equipment provided by SBC LD.

(d) Any and all claims, demands, suits, actions, losses, damages, assessments, or payments asserted against SBC LD and/or any affiliated or unaffiliated Third Party Vendor or operator of facilities employed in provision of the Service by someone other than Customer (e.g., authorized or unauthorized) who has use of the Service directly or indirectly through Customer.

(e) Any suits, claims, losses, or damages including punitive damages, attorneys' fees, and court costs arising out of the construction, installation, operation, maintenance, or removal of Customer's circuits, facilities, or equipment connected to the Services. This includes, without limitation, Worker's Compensation claims, and proceedings to recover taxes, fines, or penalties for failure of Customer to obtain or maintain in effect any necessary certificates, permits, licenses, or other authority to acquire or operate the Services.

(f) Any violation by Customer, its agents, or End Users of any literary, intellectual property, artistic, dramatic, or musical right, or right of privacy.

(g) Customer shall reimburse SBC LD for damages to facilities or SBC LD-provided equipment caused by the negligence or willful acts of Customer's officers, employees, agents, contractors, and/or users.

2.26 Disclaimer of Warranties

EXCEPT AS THESE TERMS AND CONDITIONS EXPRESSLY STATE, SBC LD MAKES NO EXPRESS OR IMPLIED WARRANTIES ABOUT ITS SERVICES AND DISCLAIMS THE IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. SBC LD DOES NOT AUTHORIZE ANYONE TO MAKE A WARRANTY ON SBC LD'S BEHALF AND CUSTOMER MAY NOT RELY ON ANY STATEMENT OF WARRANTY AS A WARRANTY OF SBC LD.

2.27 Dispute Resolution

A party alleging a material breach (the "Moving Party") of these terms and conditions may initiate arbitration by giving the other party a written Arbitration Demand Notice. The parties shall jointly select a single arbitrator who is knowledgeable of the general subject matter. If the parties are unable to agree upon an arbitrator within 30 business days of the Arbitration Demand Notice, the Moving Party may request that the American Arbitration Association ("AAA") appoint an arbitrator within 15 days. Arbitration of the dispute shall commence no later than 90 days after such appointment and shall be conducted in a location agreed by the parties, according to the Commercial Arbitration Rules of the AAA, except as modified herein. The arbitrator may set time and other limits for the presentation of each party's case, memoranda, and other submissions, and shall issue a written decision supported by law and substantial evidence as promptly as circumstances permit. The arbitrator shall have no authority in excess of the authority of a court having jurisdiction over the matter. Additionally, the arbitrator shall not alter, revoke, or suspend any provision of these terms and conditions. The arbitration award shall be binding and deemed enforceable in any court of competent jurisdiction. Each party acknowledges that it is giving up judicial

Prior to appointing an arbitrator, either party may seek one or more temporary restraining orders ("TROs") in order to preserve and protect the status quo. Neither the request for, nor denial of, such TRO shall be deemed a waiver of the parties' obligation to arbitrate. The arbitrator may dissolve, continue, or modify such TRO, which shall remain in effect until it expires or is dissolved by the arbitrator, whichever occurs first. No provision of this Section shall limit a party's right to setoff. The exercise of a remedy does not waive the right of arbitration. During dispute resolution proceedings, including arbitration, the parties shall continue to perform their obligations under these terms and conditions, except for obligations directly related to the dispute. Any request for arbitration or for legal action arising in connection with these terms and conditions must begin within 2 years after the cause of action arises. Nothing in this Section shall impair Customer's ability to bring issues concerning Service before the relevant regulatory agency having jurisdiction thereof. This Section shall not apply to residential Customers in the state of California.

2.28 Assignment of Toll Free Telephone Numbers

In accepting Customer's or Applicant's request for a particular Toll Free Service ("TFS") number, SBC LD shall accommodate such request to the extent possible in administering the assignment of 800 numbers on a nationwide basis, in accordance with procedures established by SBC LD. No guarantee of the assignment of a particular TFS number shall be made prior to the initiation of Service. SBC LD shall not be liable for any costs incurred by Customer or Applicant prior to Service if the requested number is not secured. If Customer's or Applicant's TFS number is not used by callers other than for test calls within 90 days of activation of the TFS number or any subsequent period of three full billing cycles, SBC LD may, upon written notice, release the TFS number without liability. Test calling does not constitute use.

2.29 Prohibition of Resale

Except as explicitly authorized in a written agreement, the Service provided hereunder shall not be resold or provided to third parties.

2.30 International Mobile Termination Charge

International calls terminating to a wireless device, such as a cellular phone, pager, personal computer, or personal digital assistant may incur an additional per-minute charge, referred to as an International Mobile Termination Charge.

2.31 Predictive Dialers

Except as explicitly authorized in a written agreement, the use of autodialers, predictive dialers or other devices that generate automated outbound calls in conjunction with the products and services provided by SBC LD is strictly prohibited. SBC LD may terminate and/or block service immediately should Customer use such devices.

2.32 [Reserved for Future Use]

2.33 [Reserved for Future Use]

2.34 State Specific Terms and Conditions for Intrastate Services

To the extent inconsistent with Sections 2.1 through 2.33, the following rules shall apply in the following states:

- **INDIANA**

- (a) Deposit amounts may be up to twice the estimated average monthly usage.
- (b) A billing error may be adjusted to the known date of error or for a period of eighteen (18) months, whichever period is shorter.
- (c) If after investigation SBC LD determines that disputed charges are valid, SBC LD will rebill such charges in the next billing cycle.

- **MONTANA**

- (a) SBC LD shall provide 7 days' written notice before discontinuing Service and will make reasonable efforts to contact Customer in advance of discontinuing Service.
- (b) However, Services shall be subject to discontinuance without notice for emergencies, unauthorized use, any violation of law or of any of the provisions

non-payment by Customer.

- (c) Deposit amounts may be up to twice the estimated average monthly charges.
- (d) In the case of excessive usage, SBC LD will make a diligent effort to contact Customer before implementing its toll blocking process.

- (e) Charges may be assessed for unbilled Service up to 6 months in arrears, except for fraud, where no limitation applies. If these charges are because of SBC LD error, Customer will be offered a reasonable payment arrangement.

- **NORTH CAROLINA**

- (a) SBC LD shall provide 5 days' written notice before discontinuing Service. The notice period begins the day following the mailing of the notice.

- (b) However, Services shall be subject to discontinuance without notice for fraud.

- (c) Deposit amounts may be up to twice the estimated average monthly charges.

- (d) An Applicant for residential Service will not be denied Service for failure to pay bills for non-residential Service.

- (e) SBC LD will provide 5 days' written notice and will diligently try to induce Customer to pay before implementing its toll blocking process.

- **NORTH DAKOTA**

- (a) SBC LD shall provide 10 days' written notice before discontinuing Service.

- (b) Deposit amounts may be up to twice the estimated average monthly charges.

- (c) Service to Customer will not be discontinued for failure to pay for a different class of Service.

- **VIRGINIA**

- (a) Deposits may be up to twice the estimated monthly charges.

- (b) SBC LD may assess a charge of \$6.00 whenever a check or draft presented for payment of Service is not accepted by the institution upon which it was written.

Southwestern Bell Communications Services, Inc.
d/b/a SBC Long Distance
Lee Johnson, Associate Director Regulatory
5850 W. Las Positas Blvd.
Pleasanton, California 94588

III. C.C. Tariff No. 1
Original Page 136

Issued: October 21, 2003
Effective: October 24, 2003

SECTION 2 - RULES AND REGULATIONS

2.17 Taxes, Surcharges, and Fees

2.17.1 General

Customer will be responsible for the payment for all Services provided by the Company and for the payment of all excise, sales, use, gross receipts, or other taxes and surcharges. Federal excise tax, and state and local sales, use, and similar taxes and surcharges shall be billed separately from charges for Services. The Company may also impose surcharges on Customer to recover amounts it is required by governmental or quasi-governmental authorities to collect from, or to pay to, others in support of statutory or regulatory programs (e.g. universal service funds). The Company will not provide advance notice of changes to taxes and surcharges, except as required by law.